GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:846
ANSWERED ON:20.07.2017
Criteria for Funds Allocation under PMGSY
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Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the earlier Government was allocating funds fully under Pradhan Mantri Gram Sadak Yojana (PMGSY);

(b) if so, the reasons for which the Government is changing the ratio and making it as 60 per cent and 40 per cent between the Centre and States, respectively;

(c) whether this policy will have an adverse effect on economically backward States including Jharkhand and Bihar; and

(d) whether the Government proposes to consider allocating the funds to the States as decided by different committees in the recent past?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT
(SHRI RAM KRIPAL YADAV)

(a) : 'Rural Roads 'is a State subject and Pradhan Mantri Gram Sadak Yojana (PMGSY) is a one-time special intervention to provide rural connectivity, by way of a single all-weather road, to the eligible unconnected habitations in the core network. The budget allocation for the Pradhan Mantri Gram Sadak Yojana (PMGSY) during the years 2012-13 to 2017-18 is as follows:

Sl. No. Year Budget Allocation Comments
(Rs. in crore) Govt. of
India's share

1. 2012-13 8885 100% grant from Central Government

2. 2013-14 9806 100% grant from Central Government

3. 2014-15 14200 100% grant from Central Government

4. 2015-16 14291 The fund sharing ratio changed to 90:10
and 60:40

5. 2016-17 19000 The fund sharing ratio changed to 90:10
and 60:40

6. 2017-18 19000 The fund sharing ratio changed to 90:10
and 60:40

(b) to (d): In view of the fact that budgetary allocation was relatively low in 2012-13 to 2014-15 and that several States also represented for higher sanction and higher annual financial allocation, hence in order to give a boost to public investment in the rural infrastructure sector, a decision was taken, in 2015 to modify the fund sharing pattern of the scheme and to accelerate execution of PMGSY and complete the connectivity mandate of the balance eligible habitations under PMGSY-I by March, 2019 itself, before the target year of 2022.

The Sub-Group of Chief Ministers on Rationalization of Centrally Sponsored Schemes in its Report recommended that fund sharing pattern of Pradhan Mantri Gram Sadak Yojana (PMGSY) be in the ratio of 60:40 between the Centre and States for all States except for 8 North Eastern and 3 Himalayan States for which it will be 90:10. The Sub-Group also recommended that this modified sharing pattern should be effective from Financial Year 2015-16 onwards. Subsequently, Department of Expenditure, Ministry of Finance, communicated the approval of above recommendation for modification in the fund sharing pattern of PMGSY scheme and intimated that all ongoing as well as outstanding works of PMGSY, would be covered under this sharing pattern.

The modified fund sharing pattern does not have any adverse effect on economically backward states including Bihar and Jharkhand. The annual allocation for both Bihar and Jharkhand has increased after change in the fund sharing pattern in 2015. The annual allocation for the state of Bihar and Jharkhand for the last four years are as follows:

(Rs. in crore)

Bihar Jharkhand

Sl. No.Year Allocation, Govt. of India's share Allocation, Govt. of India's share

1. 2014-15 1650.00 257.00

2. 2015-16 2781.00 865.00

3. 2016-17 3000.00 868.00

4. 2017-18 2728.00 1109.00

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